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THE SPORTING EXCHANGE LIMITED

Special resolutions of all the Members of the above named Company passed in accordance with the Articles of Association of the Company

It is hereby resolved that:

1. each of the 20,000,000 issued and unissued Ordinary Shares of one penny each in the capital of the company be subdivided into 10 Ordinary Shares of 0.1 pence each respectively; and
2. the amended articles of association in the form attached be adopted in substitution for and to the exclusion of all previous articles of association.

Dated: 14 April 2003



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Company Secretary



PRIVATE COMPANY LIMITED BY SHARES

ARTICLES OF ASSOCIATION

(Adopted by written resolution on 24 February 2000 and amended by written resolution effective 24 May 2001 and again by special resolution dated 16 January 2002 and again by special resolution dated 14 April 2003)

of

The Sporting Exchange Limited

Preliminary

- 1** The regulations contained in Table A in The Companies (Tables A to F) Regulations 1985 (as amended so as to affect companies first registered on the date of the adoption of these Articles) shall, except as hereinafter provided and so far as not inconsistent with the provisions of these Articles, apply to the Company to the exclusion of all other regulations or Articles of Association. References in these Articles to regulations are to regulations in the said Table A unless otherwise stated.

Interpretation

- 2** In these Articles:

"A' Ordinary Shares" means convertible 'A' ordinary shares of 1 penny each in the capital of the Company having the rights and subject to the obligations set out in these Articles;

"the Act" means the Companies Act 1985, but so that any reference in these Articles to any provision of the Act shall be deemed to include a reference to any statutory modification or re-enactment of that provision for the time being in force;

"Associated Company" means, in relation to a person, any holding company, subsidiary, subsidiary undertaking or fellow subsidiary or subsidiary undertaking or any other subsidiaries or subsidiary undertakings of any such holding company;

"Associated Person" means, in relation to a member, either (1) any Associated Company or (2) any parent, spouse or child of, or trust associated with, that member;

"Board" means the board of directors of the Company;

"Business Day" means a day (except a Saturday or Sunday) on which banks in London are open for business;

"Cash Determination Date" shall have the meaning set out in the Share Purchase Agreement;

"Conversion Date" means the date on which the Net Cash Position is determined in accordance with the Share Purchase Agreement;

"Deferred Shares" means the deferred shares of 1 penny each in the capital of the Company having the rights and subject to the obligations set out in these Articles;

"Directors" means the directors for the time being of the Company;

"Employee Trust" means any trust established by the Company for the benefit of employees of the Company and/or any of its subsidiaries;

"Incentive Shares" means the 1,582,500 Ordinary Shares of 0.1 penny each held by E.J. Wray and the 1,582,500 Ordinary Shares of 0.1 penny each held by A.W. Black as at 20 March 2003;

"Issue Price" means, in respect of a share in the capital of the Company, the aggregate of the amount paid up (or credited as paid up) in respect of the nominal value thereof and any share premium thereon;

"Listing" means the listing of any of the Company's shares or of the shares of a holding company of the Company on a recognised investment exchange;

"Net Cash Position" shall have the meaning set out in the Share Purchase Agreement rounded down to the nearest whole pound;

"Ordinary Shares" means ordinary shares of 0.1 penny each in the capital of the Company having the rights and subject to the obligations set out in these Articles;

"ordinary share capital" means all the Ordinary Shares and all of the 'A' Ordinary Shares in the capital of the Company;

"Purchaser" means, in relation to a proposed sale or transfer of shares, a bona fide third party which (in the case of a corporation) is not, and following such sale or transfer will not be, an Associated Company of the transferor;

"Qualifying Shares" means in relation to a proposed transfer of shares, shares constituting 10 per cent. by nominal value or more of the then issued share capital of the Company.

"Remuneration Committee" shall have the meaning set out in Article 28;

"Share Purchase Agreement" means the share purchase agreement entered into on 20 December 2001 between The Sporting Exchange Limited, Flutter.com Inc and various shareholders of Flutter.com Inc.

Authorised Share Capital

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- 3.1** The authorised share capital of the Company at the date of the adoption of these Articles is £230,074.21 divided into 20,000,000 Ordinary Shares of 0.1 penny each; and 3,007,421 'A' Ordinary Shares of one penny each.
- 3.2** Save as otherwise provided herein, the Ordinary Shares and 'A' Ordinary Shares shall have rights that are in all respects identical and rank *pari passu*.
- 3.3** The rights attached to the Deferred Shares are as set out in Article 6.

Conversion of 'A' Ordinary Shares into Deferred Shares

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- 4.1** Subject to the terms of the Share Purchase Agreement, the directors of the Company may elect at any time after the Conversion Date to convert 'A' Ordinary Shares into deferred shares of one penny each having the rights set out in Article 6 below ("Deferred Shares").
- 4.2** Any conversion pursuant to the rights granted by Article 4.1 shall be made on the following terms:
- (a) conversion shall take effect immediately upon the directors so electing in writing at any time 30 days following the final determination of the Net Cash Position in accordance with the terms of the Share Purchase Agreement. Conversion of any 'A' Ordinary Shares in accordance with these Articles shall be at no cost to the relevant holders and the 'A' Ordinary Shares to be converted shall be apportioned pursuant to the terms of the Share Purchase Agreement; and
 - (b) forthwith after the conversion taking place the Company shall issue to the persons entitled thereto certificates for the Deferred Shares (as the case may be) resulting from the conversion and the certificates for the 'A' Ordinary Shares falling to be converted shall be deemed invalid for all purposes and the relevant holders shall be bound to deliver the same to the Company for cancellation and issue of a certificate for the new balance of 'A' Ordinary Shares then held.

Conversion of 'A' Ordinary Shares into Ordinary Shares

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- 5.1** Immediately prior to a Listing, each 'A' Ordinary Share shall convert into an Ordinary Share. All rights previously associated exclusively with 'A' Ordinary Shares shall lapse in all respects.
- 5.2** Subject to the terms of the Share Purchase Agreement, all the 'A' Ordinary Shares shall automatically convert into fully paid Ordinary Shares:
- (a) upon written notice signed by holders of not less than 75% of the 'A' Ordinary Shares then in issue being given to the Board and to each holder of 'A' Ordinary Shares;
 - (b) immediately prior to completion of a Listing;
- but such that there shall be no conversion under (a) prior to the Cash Determination Date.

Deferred Shares

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- 6.1** The Deferred Shares shall not confer on the holders thereof any entitlement to any participation in the profits of the Company. The Deferred Shares shall entitle the holders to receive the amount paid up (or credited as paid up) on those shares (including any premium) when the holders of Ordinary Shares have received the amount of £1,000,000 per share but the holders of the Deferred Shares shall have no right to participate beyond that amount.
- 6.2** The Deferred Shares shall not confer on the holders thereof any entitlement to receive notice of or to attend or vote at any general meeting of the Company.
- 6.3** Conversion of the 'A' Ordinary Shares into Deferred Shares in accordance with Article 4.1 shall be deemed to confer an irrevocable authority on the Company, at any time thereafter:

- (a) to appoint any person to execute (on behalf of the holders of the Deferred Shares) a transfer thereof and/or an agreement to transfer the same for consideration of not more than an aggregate sum for all the Deferred Shares of 1p to such person or persons as the Company may determine as custodian thereof; and/or
- (b) to purchase the same (in accordance with the provisions of the Acts) for not more than an aggregate sum (for all the Deferred Shares) of 1p, without any requirement to obtain the consent or sanction of the holders thereof and, for the purposes of such purchase, to appoint a person to execute (on behalf of the holders of the Deferred Shares) a contract for the sale to the Company of any Deferred Shares held by any such holders; and/or
- (c) pending such transfer and/or purchase, to retain the certificates for such Deferred Shares.

Subscription Rights

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- 7.1** Subject to Section 80 of the Act and to Articles 7.2 and 13 below, all unissued shares shall be at the disposal of the Directors and they may allot, grant options over or otherwise dispose of them to such persons, at such times, and on such terms as they think proper.
- 7.2**
 - (a) Pursuant to and in accordance with Section 80 of the Act, the Directors shall be generally and unconditionally authorised to exercise during the period of five years from the date of adoption of these Articles all the powers of the Company to allot relevant securities up to an aggregate nominal amount of £150,000; and
 - (b) by such authority the Directors may make offers or agreements which would or might require the allotment of relevant securities after the expiry of such period.
- 7.3** Subject to Article 7.2(a) above, the directors shall be empowered to allot equity securities (as defined in section 94(2) of the Act) of the Company as if sections 89(1) and 90(1) to (6) of the Act did not apply to any such allotment. This power shall expire five years from the date of adoption of these Articles save that by such power the Directors may make offers or agreements which would or might require the allotment of equity securities after the expiry of such period.
- 7.4** Words and expressions defined in or for the purposes of the said Section 80 or the said Section 89 shall bear the same meanings in this Article 7.

Proceedings at General Meetings

- 8** In case of a corporation a resolution in writing may be signed on its behalf by a Director or the Secretary thereof or by its duly appointed attorney or duly authorised representative. Regulation 53 shall be extended accordingly. Regulation 53 (as so extended) shall apply mutatis mutandis to resolutions in writing of any class of members of the Company.
- 9** Every notice convening a general meeting shall comply with the provisions of section 372(3) of the Act as to giving information to members in regard to their right to appoint proxies; and notices of and other communications relating to any general meeting which any member is entitled to receive shall be sent to the Directors and to the auditors for the time being of the Company.

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- 10.1** No business shall be transacted at any general meeting unless a quorum is present. Subject to Article 10.3 below, two persons entitled to vote upon the business to be transacted, each being a member or a proxy for a member or a duly authorised representative of a corporation, shall be a quorum.
- 10.2** No business shall be transacted at any class meeting unless a quorum is present. Subject to Article 10.4 below, two persons entitled to vote upon the business to be transacted, each being a member of that class of share or a proxy for a member of that class of share or a duly authorised representative of a corporation, shall be a quorum.
- 10.3** If and for so long as the Company has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.
- 10.4** If and for so long as the relevant class of share has only one member, that member present in person or by proxy or (if that member is a corporation) by a duly authorised representative shall be a quorum.
- 10.5** If a quorum is not present within half an hour from the time appointed for a general meeting the general meeting shall stand adjourned to the same day in the next week at the same time and place or to such other day and at such other time and place as the Directors may determine; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.
- 10.6** If a quorum is not present within half an hour from the time appointed for a class meeting, the class meeting shall stand adjourned to the same day in the next week at the same time and place; and if at the adjourned general meeting a quorum is not present within half an hour from the time appointed therefor such adjourned general meeting shall be dissolved.
- 10.7** Regulations 40 and 41 shall not apply to the Company.

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- 11.1** If and for so long as the Company has only one member and that member takes any decision which is required to be taken in general meeting or by means of a written resolution, that decision shall be as valid and effectual as if agreed by the Company in general meeting, subject as provided in Article 11.3 below.
- 11.2** Any decision taken by a sole member pursuant to Article 11.1 above shall be recorded in writing and delivered by that member to the Company for entry in the Company's minute book.
- 11.3** Resolutions under section 303 of the Act for the removal of a Director before the expiration of his period of office and under section 391 of the Act for the removal of an auditor before the expiration of his period of office shall only be considered by the Company in general meeting.

- 12** An instrument appointing a proxy (and, where it is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof) must either be delivered at such place or one of such places (if any) as may be specified for that purpose in or by way of note to the notice convening the meeting (or, if no place is so specified, at the registered office) before the time appointed for holding the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting

or adjourned meeting) for the taking of the poll at which it is to be used or be delivered to the Secretary (or the chairman of the meeting) on the day and at the place of, but in any event before the time appointed for holding, the meeting or adjourned meeting or poll. The instrument may be in the form of a facsimile or other machine-made copy and shall, unless the contrary is stated thereon, be valid as well for any adjournment of the meeting as for the meeting to which it relates. An instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates. Regulation 62 shall not apply.

Votes of Members

- 13** At a general meeting, but subject to any rights or restrictions attached to any shares, on a show of hands every member present in person or by proxy (or being a corporation present by a duly authorised representative) shall have one vote, and on a poll every member who is present in person or by proxy shall have one vote for every share of which he is the holder. Regulation 54 shall not apply.

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- 14.1** Subject to Article 14.2 below, the prior consent or sanction of the holders of at least 83.8% of the ordinary share capital of the Company shall be required for the undertaking by the Company of any of the following matters:

- (a) the declaration of any dividend or other distribution to the holders of any class of shares;
- (b) the registration of any transfer of shares representing 15% or more of the ordinary share capital of the Company in a single transaction or series of related transactions in favour of any person, firm or company (whether or not a holder of any shares of the Company on the date of adoption of these Articles) (the "transferee") either individually or collectively with the nominee or nominees of such transferee and/or Associated Persons and/or persons acting in concert (if any) with such transferee;
- (c) the amendment of any provision of the Memorandum of Association or of the Articles of Association of the Company;
- (d) the admission of any part of the share capital of the Company to a recognised investment exchange or recognised stock exchange (within the meaning of the Financial Services and Markets Act 2000) or AIM;
- (e) the creation, allotment or issue of any shares or securities by the Company (other than pursuant to the Share Purchase Agreement) which would imply a valuation of the Buyer of less than £40,000,000;
- (f) the issue of any right to require the allotment or issue of any shares or securities other than the grant of any options to employees sanctioned by the Board;
- (g) the registration of any transfer of shares by either Edward Wray or Andrew Black (or any of their respective Associated Persons), which, when considered collectively with any prior transfers by the relevant individual (and those of any of his Associated Persons), represents 3% or more of the voting shares of the Company at the date of the Share Purchase Agreement.

- 14.2** In the event that any holder of 'A' Ordinary Shares (a "Significant Minority"), when considered collectively with any Associated Persons, comes to own or control 11% or more of the ordinary share capital of the Company from time to time, then in respect of any exercise of the voting rights by such Significant Minority to block any resolution at any general meeting of the Company which would otherwise require 83.8% of the votes in accordance with Article 14.1 above, the requisite minimum percentage shall be reduced by the percentage by which the Significant Minority's holding exceeds 11%.

Appointment and Retirement of Directors

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- 15.1** Regulation 64 shall not apply to the Company

- 15.2** The maximum number of Directors shall be eight and the minimum number of Directors shall be one. Whenever the minimum number of Directors is one, a sole Director shall have authority to exercise all the powers and discretions by Table A and by these Articles expressed to be vested in the Directors generally, and regulation 89 shall be modified accordingly.

- 16** The Directors shall not be subject to retirement by rotation. Regulations 73 to 75 and the second and third sentences of Regulation 79 shall not apply, and other references in the said Table A to retirement by rotation shall be disregarded.

- 17** No person shall be appointed a Director at any general meeting unless either:

- 17.1** he is recommended by the Directors, or

- 17.2** not less than 14 nor more than 35 clear days before the date appointed for the general meeting, notice signed by a member qualified to vote at the general meeting has been given to the Company of the intention to propose that person for appointment, together with notice signed by that person of his willingness to be appointed.

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- 18.1** Subject to Article 15 above, the Company may by ordinary resolution appoint any person who is willing to act to be a Director, either to fill a vacancy or as an additional Director.

- 18.2** The Directors may appoint a person who is willing to act to be a Director, either to fill a vacancy or as an additional Director, provided that the appointment does not cause the number of Directors to exceed any number determined in accordance with Article 15 above as the maximum number of Directors and for the time being in force.

- 19** In any case where as the result of death or deaths the Company has no members and no Directors, the personal representatives of the last member to have died shall have the right by notice in writing to appoint a person to be a Director of the Company and such appointment shall be as effective as if made by the Company in general meeting pursuant to Article 18.1 above. For the purpose of this Article, where two or more members die in circumstances rendering it uncertain which of them survived the other or others, the members shall be deemed to have died in order of seniority, and accordingly the younger shall be deemed to have survived the elder.

Special Directors

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- 20.1** Notwithstanding any other provisions of these Articles, for so long as the holders of 'A' Ordinary Shares collectively hold not less than 20% of the ordinary share capital of the Company, they shall have the right from time to time to appoint two persons to be non-executive directors of the Company and to remove from office any person so appointed to appoint another person in his place. For so long as the holders of 'A' Ordinary Shares collectively represent not less than 10% of the ordinary share capital of the Company, they shall have the right from time to time to appoint one person to be a non-executive director of the Company and to remove from office any person so appointed to appoint another person in his place.
- 20.2** For so long as the holders of 'A' Ordinary Shares collectively hold over 10% of the ordinary share capital of the Company, they shall be entitled to appoint an observer to attend Board meetings, such observer to have the same right to notice of Board meetings as full members of the Board but no right to vote.

Borrowing Powers

- 21** The Directors may exercise all the powers of the Company to borrow money without limit as to amount and upon such terms and in such manner as they think fit, and subject (in the case of any security convertible into shares) to section 80 of the Act and the provisions of these Articles to grant any mortgage, charge or standard security over its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock, and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Alternate Directors

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- 22.1** An alternate Director shall (except when absent from the United Kingdom) be entitled to receive notices of meetings of the Directors and of any committee of the Directors of which his appointor is a member and shall be entitled to attend and vote as a Director and be counted in the quorum at any such meeting at which his appointor is not personally present and generally at such meeting to perform all functions of his appointor as a Director and for the purposes of the proceedings at such meeting the provisions of these Articles shall apply as if he were a Director. If he shall be himself a Director or shall attend any such meeting as an alternate for more than one Director, his voting rights shall be cumulative but he shall not be counted more than once for the purposes of the quorum. If his appointor is for the time being absent from the United Kingdom or temporarily unable to act through ill health or disability his signature to any resolution in writing of the Directors shall be as effective as the signature of his appointor. An alternate Director shall not (save as aforesaid) have power to act as a Director, nor shall he be deemed to be a Director for the purposes of these Articles, nor shall he be deemed to be the agent of his appointor. Regulations 66 and 69 shall not apply.
- 22.2** An alternate Director shall be entitled to contract and be interested in and benefit from contracts or arrangements or transactions and to be repaid expenses and to be indemnified to the same extent mutatis mutandis as if he were a Director but he shall not be entitled to receive from the Company in respect of his appointment as alternate Director any remuneration except only such part (if any) of the remuneration otherwise payable to

his appointor as such appointor may by notice in writing to the Company from time to time direct. Regulation 66 shall be modified accordingly.

Gratuities and Pensions

- 23** The Directors may exercise the powers of the Company conferred by its Memorandum of Association in relation to the payment of pensions, gratuities and other benefits and shall be entitled to retain any benefits received by them or any of them by reason of the exercise of any such powers. Regulation 87 shall not apply to the Company.

Proceedings of Directors

- 24** On any matter in which a Director is in any way interested he may nevertheless vote and be taken into account for the purposes of a quorum and (save as otherwise agreed) may retain for his own absolute use and benefit all profits and advantages directly or indirectly accruing to him thereunder or in consequence thereof. Regulations 94 to 98 shall not apply to the Company.
- 25** Each Director shall comply with his obligations to disclose his interest in contracts under section 317 of the Act.
- 26** The Directors, and any committee of the Directors, shall be deemed to meet together if, being in separate locations, they are nonetheless linked by conference telephone or other communication equipment which allows those participating to hear and speak to each other, and a quorum in that event shall be two persons so linked. Such a meeting shall be deemed to take place where the largest group of those participating is assembled or, if there is no such group, where the chairman of the meeting then is.

Delegation of Director's Powers

- 27** In addition to the powers to delegate contained in Regulation 72, the Directors may delegate any of their powers or discretions to committees consisting of one or more Directors and (if thought fit) one or more other named person or persons to be co-opted as hereinafter provided. Insofar as any such power or discretion is delegated to a committee, any reference in these Articles to the exercise by the Directors of the power or discretion so delegated shall be read and construed as if it were a reference to the exercise thereof by such committee. Any committee so formed shall in the exercise of the powers so delegated conform to any regulations which may from time to time be imposed by the Directors. Any such regulations may provide for or authorise the co-option to the committee of persons other than Directors and may provide for members who are not Directors to have voting rights as members of the committee but so that (a) the number of members who are not Directors shall be less than one-half of the total number of members of the committee and (b) no resolution of the committee shall be effective unless passed by a majority including at least one member of the committee who is a Director. Regulation 72 shall be modified accordingly.
- 28** The Board shall establish a remuneration committee (the "Remuneration Committee") for the purpose of determining the remuneration to or the conferring of any other benefit on all or any of the Directors. The Remuneration Committee shall comprise at least two non-executive Directors and shall include, for so long as the holders of 'A' Ordinary Shares are entitled to appoint a director in accordance with Article 20, one such Director. The Remuneration Committee shall be consulted by and shall advise the Board on all

questions concerning the employment and incentive arrangements of all senior executives and directors of the Company, any variation of a senior executive's or a director's terms of employment, any other arrangements with any other senior executive or director of the Company and any matters relating to the remuneration policy of the Company.

Disqualification and Removal of Directors

- 29** The office of a Director shall be vacated in any of the events specified in Regulation 81 and also if he shall in writing offer to resign and the Directors shall resolve to accept such offer or if he shall be removed from office by notice in writing signed by all his co-Directors (being at least two in number), but so that if he holds an appointment to an executive office which thereby automatically determines such removal shall be deemed an act of the Company and shall have effect without prejudice to any claim for damages for breach of any contract of service between him and the Company.

Remuneration of Directors

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- 30.1** Regulation 82 shall not apply to the Company.
- 30.2** The Directors shall be paid out of the funds of the Company by way of fees for their services as Directors such sums (if any) as the Directors may from time to time determine and such remuneration shall be divided between the Directors as they shall agree or, failing agreement, equally. Such remuneration shall be deemed to accrue from day to day.
- 30.3** Any Director who serves on any committee, or who otherwise performs services which in the opinion of the Directors are outside the scope of the ordinary duties of a Director, may be paid such extra remuneration by way of salary, commission or otherwise or may receive such other benefits as the Directors may determine.

The Seal

- 31** If the Company has a seal it shall only be used with the authority of the Directors or of a committee of Directors. The Directors may determine who shall sign any instrument to which the seal is affixed and unless otherwise so determined it shall be signed by a Director and by the secretary or second Director. The obligation under Regulation 6 relating to the sealing of share certificates shall apply only if the Company has a seal. Regulation 101 shall not apply to the Company.
- 32** The Company may exercise the powers conferred by section 39 of the Act with regard to having an official seal for use abroad, and such powers shall be vested in the Directors.

Notices

33

- 33.1** Without prejudice to Regulations 112 to 116, the Company may give notice to a member by electronic means provided that
- (a) the member has given his consent in writing to receiving notice communicated by electronic means and in such consent has set out an address to which the notice shall be sent by electronic means; and

- (b) the electronic means used by the Company enables the member concerned to read the text of the notice.
- 33.2** A notice given to a member personally or in a form permitted by Article 33.1 above shall be deemed to be given on the earlier of the day on which it is delivered personally and the day on which it was despatched by electronic means, as the case may be.
- 33.3** Regulation 115 shall not apply to a notice delivered personally or in a form permitted by Article 33.1 above.
- 33.4** In this Article "electronic" means actuated by electric, magnetic, electro-magnetic, electro-chemical or electro-mechanical energy and "by electronic means" means by any manner only capable of being so actuated.
- 34** A member whose registered address is not within the United Kingdom shall be entitled to have notices sent to him as if he were a member with a registered address within the United Kingdom and the last sentence of Regulation 112 shall not apply.

Indemnity

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- 35.1** Subject to the provisions of and so far as may be consistent with the Act, every Director, Secretary or other officer of the Company shall be indemnified by the Company out of its own funds against and/or exempted by the Company from all costs, charges, losses, expenses and liabilities incurred by him in the actual or purported execution and/or discharge of his duties and/or the exercise or purported exercise of his powers and/or otherwise in relation to or in connection with his duties, powers or office including (without prejudice to the generality of the foregoing) any liability incurred by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgement is given in his favour (or the proceedings are otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the Court.
- 35.2** Without prejudice to Article 35.1 above, the Directors shall have power to purchase and maintain insurance for or for the benefit of any persons who are or were at any time Directors, officers or employees of any Relevant Company (as defined in Article 35.3) or who are or were at any time trustees of any pension fund or employees' share scheme in which employees of any Relevant Company are interested, including (without prejudice to the generality of the foregoing) insurance against any liability incurred by such persons in respect of any act or omission in the actual or purported execution and/or discharge of their duties and/or in the exercise or purported exercise of their powers and/or otherwise in relation to their duties, powers or offices in relation to any Relevant Company, or any such pension fund or employees' share scheme.
- 35.3** For the purpose of Article 35.2 "Relevant Company" shall mean the Company, any holding company of the Company or any other body, whether or not incorporated, in which the Company or such holding company or any of the predecessors of the Company or of such holding company has or had any interest whether direct or indirect or which is in any way allied to or associated with the Company, or any subsidiary undertaking of the Company or of such other body.

Transfer of Shares

36 General

36.1 Prior to the earliest of (1) the Board resolving to seek a Listing or (2) the members agreeing to transfer the entirety of the issued share capital in the Company to a Purchaser, no member shall, or shall agree to, without in any case the prior written consent of the Board:

- (a) pledge, mortgage, charge or otherwise encumber any of its shares or any interest in any of its shares; or
- (b) sell, transfer or otherwise dispose of, or grant any option over, any of its shares or any interest in its shares other than in accordance with Article 38; or
- (c) enter into any agreement in respect of the votes attached to any of its shares,

provided that, on giving prior written notice to the Board, any member may transfer any of its shares in accordance with and subject to the conditions of Article 37 (the "Permitted Transfers").

36.2 The Directors shall have the right in their absolute discretion and without granting any reason therefor, to refuse to register a transfer of shares, whether or not they are fully paid shares. Regulation 24 shall not apply.

37 Permitted Transfers

37.1 Any holder of shares in the Company being a body corporate may at any time transfer all or any of its shares to any other body corporate which is for the time being its subsidiary or holding company or another subsidiary of its holding company (each such body corporate being a "**Group Company**") but if a Group Company whilst it is a holder of shares in the Company shall cease to be a Group Company in relation to the body first holding the relevant shares following their allotment or following a transfer made in accordance with this Article 37 (otherwise than pursuant to this Article 37.1) it shall, within 21 days of so ceasing transfer the shares held by it to such body or any Group Company of such body and failing such transfer the relevant holder(s) shall be deemed to have given a Transfer Notice pursuant to Article 38.

37.2 Subject as herein provided any holder of shares in the Company who is an individual (the "**Original Member**") may at any time transfer all or any of his shares originally allotted to him or any beneficial interest therein for whatever consideration to his or her spouse or adult children or adult step children or to the trustee or trustees (the "**Trustees**") of a family trust set up wholly for the benefit of one or more of the transferor, his or her spouse, children or step children and of which the said holder is the settlor (each a "**Permitted Transferee**") and a Permitted Transferee may transfer any of those shares to any other Permitted Transferee.

37.3 The Trustees may at any time (i) transfer all or any of their shares to a company of which they hold the whole of the share capital and which is controlled by them PROVIDED THAT if any such company, while it is a member of the Company, shall cease to be such a company it shall, within 21 days of so ceasing, transfer the shares held by it back to the Trustees or to a company of which the Trustees hold the whole share capital and which is so controlled failing which it or the relevant holder(s) (if different) shall be deemed to have

given a Transfer Notice pursuant to Articles 38 or (ii) transfer all or any of their shares to the Original Member or to any other Permitted Transferee.

37.4 Any person holding shares transferred to him pursuant to Articles 37.2 or 37.3 shall be deemed to have irrevocably appointed the Original Member as his proxy in respect of such shares and no instrument of appointment shall be necessary to be deposited with the Company or any subsidiary of the Company.

37.5 An Employee Trust may at any time transfer all or any of its shares in accordance with the rules of that Employee Trust.

37.6 Any shares may be transferred pursuant to Article 39.

38 Restriction on Transfers/Pre-emption

38.1 Except as otherwise provided in these Articles or with the prior written consent of the Board, the shares of any of the members may be sold, transferred or otherwise disposed of only in accordance with the provisions of this Article:

- (a) a member (the "Selling Shareholder") wishing to sell any of its shares (the "Offered Shares") shall send a transfer notice (a "Transfer Notice") to the other members (the "Purchasing Shareholders") setting out the price and terms (the "Offer Terms") on which it is willing to offer the Offered Shares to the other members. Such an offer shall be *pro rata* to the Purchasing Shareholders' respective shareholdings in the Company. The Selling Shareholder will invite each Purchasing Shareholder to state in writing within fifteen Business Days from the date of the notice whether it is willing to purchase any of the Offered Shares so offered to it on the Offer Terms and, if so, the maximum number or amount thereof. If any part of the Offered Shares so offered is not taken up by any Purchasing Shareholders, the Selling Shareholder will re-offer the Offered Shares on the same Offer Terms to those Purchasing Shareholders who have stated their wish to purchase Offered Shares, inviting such Purchasing Shareholders to state in writing within a further five Business Days the proportion of the additional Offered Shares they wish to purchase;
- (b) if the Selling Shareholder finds Purchasing Shareholders willing to purchase all of the Offered Shares pursuant to this Article, it will be bound upon acceptance of the Offer Terms to transfer such Offered Shares to such Purchasing Shareholders;
- (c) if the Selling Shareholder has not found Purchasing Shareholders to purchase all of the Offered Shares the Selling Shareholder may sell and transfer all but not part of the Offered Shares at any time within ten Business Days after the expiry of the last notice given to the Purchasing Shareholders pursuant to Article 38.1(a), to any Purchaser at a price not being less than the Offer Terms and on terms no more favourable.

38.2 Where any Transfer Notice is deemed to have been given in accordance with these Articles, the deemed Transfer Notice shall be treated as having specified that all of the shares registered in the name of the Selling Shareholder shall be included for transfer.

38.3 If a Transfer Notice is given or deemed to be given in accordance with these Articles the Selling Shareholder shall be deemed to have appointed the Company his agent for the sale of the Offered Shares on the Transfer Terms.

38.4 The appointment referred to in Article 38.3 shall be irrevocable and is given by way of security for the performance of the obligations of the relevant holder of shares in the Company under these Articles.

39 Transfer of Control

39.1 Without prejudice to Articles 38, if at any time members holding more than 83.8 per cent of the issued share capital of the Company ("Controlling Shareholders") notify the Company that they have agreed terms with a Purchaser to sell all of the shares held by such Controlling Shareholders and that the Purchaser wishes to acquire the remainder of the shares not held by such Controlling Shareholders at the same time and on the same terms (such notice to specify such time and such terms), the Company shall within ten Business Days thereafter serve written notice (the "Drag-Along Notice") on the remaining Shareholders (the "Called Shareholders") requiring such persons to transfer all of their shares to the Purchaser (or as the Purchaser may direct) at the same time and on the same terms as those agreed between the Controlling Shareholders and the Purchaser (such Drag-Along Notice to specify such time and such terms). If a Called Shareholder makes default in transferring its shares pursuant to this Article 39.1, it shall be deemed to have irrevocably appointed the Company as its agent for the transfer of its shares and such appointment is given by way of security for the performance of the obligations of the relevant holder of shares in the Company under these Articles.

39.2 Subject to the provisions of this Article 39.2, if at any time one or more members propose to transfer Qualifying Shares (the "Tag-Along Shareholders") to a Purchaser, the other members shall have the right to participate in such transfer *pro rata* to their respective holdings of shares provided always that in the event that the proposed transfer is of shares constituting 30 per cent. or more of the issued share capital, the other members shall have the right to participate in such transfer up to the entirety of their respective holdings of shares (each a "Tag-Along Right"). If circumstances occur which give rise to the Tag-Along Right, then the Tag-Along Shareholders shall within ten Business Days give written notice to the Company, which shall, as soon as reasonably practicable thereafter give written notice (the "Tag-Along Notice") to the other members providing a summary of the terms of the proposed transfer and sale to the Purchaser and advising such other members of their Tag-Along Rights, including the maximum number of shares which each member may sell. Each of the other members may exercise its Tag-Along Rights by written notice (to be given within ten Business Days of receipt of the Tag-Along Notice) to the Company stating the number of shares that it wishes to sell, up to the maximum number permitted as provided above (the aggregate amount of such elected shares comprising the "Tag-Along Shares"). No sale of Qualifying Shares may take place pursuant to this Article 39.2 except in conjunction with the sale of Tag-Along Shares in compliance with the above provisions.

40 Compulsory Transfers

40.1 If at any time any member ceases to be a Director or employee of, or consultant or service provider to, the Company or any subsidiary of the Company by reason of

- (a) fraud, theft or gross misconduct and a court, tribunal or arbitration forum determines that such member is guilty of or has acted in a manner which constitutes fraud, theft or gross misconduct; or
- (b) fraud, theft or gross misconduct where that member does not contest that he has acted in a manner which constitutes fraud, theft or gross misconduct within 21 days of such cessation; or

- (c) becoming an employee of, or consultant or service provider to, any competitor of any Group Company; or
- (d) entering into any agreement to provide services which are in competition with any Group Company,

then (unless and to the extent that the Board agrees otherwise at the relevant time) forthwith on the date of such cessation such person (the "Departing Employee") and any Permitted Transferee of the person (as defined in Article 37) (all such persons being the "Retiring Members" and "Retiring Member" shall be construed accordingly) shall be deemed to have given a Transfer Notice to the other Shareholders of the Company pursuant to Article 38.1 in respect of all the Incentive Shares then held by the Retiring Member (or by his personal representative in the case of his death).

- 40.2** Once a Retiring Member is deemed to have sent a Transfer Notice to the other members pursuant to this Article 38, he shall comply with the obligations of the Selling Shareholder under Article 38.1 in respect of such Incentive Shares.
- 40.3** Notwithstanding any provisions in Article 38.1 to the contrary the price per share at which the Retiring Member shall be deemed to have offered his shares for sale under Article 38.1 shall be the lowest of (1) the price at which such shares were acquired by the Retiring Member, (2) the Issue Price of such shares or (3) the last price paid by any third party who purchased or subscribed for shares in an arm's length transaction.
- 40.4** All or any part of the requirements of this Article 40 may, with the consent in writing of the Board, be waived in whole or in part in respect of any Retiring Member. Article 40 will not apply to the holders of 'A' Ordinary Shares.